

Kenya budget comes with no reprieve for EABL and BAT but opens up for more speculation...

Yesterday, the 12th of June, Treasury secretary Henry Rotich presented to Parliament a rare tax-neutral Budget that courted speculation as the contents of the Finance Bill are reported to have excluded what the House expected.

National Assembly Majority Leader Aden Duale added to the suspicion of what is in store for taxpayers when he revealed that the Finance Bill, which contains the official tax measures, was not ready. "The law allows us at least 90 days to present the Bill to Parliament for debate," he said without explaining why Rotich broke away from the tradition that has had it tabled in the House on Budget day.

Cigarette maker BAT Kenya and beer producers Keroche and EABL were left guessing what could be up the government's sleeve, as Rotich also failed to announce any changes in "sin taxes" but alluded to impending amendments to the Excise Tax Act.

Rotich only said that he will be drafting a new stand-alone excise law to modernise and simplify Kenya's sin tax regulations. "The new Excise Duty Bill will be a simple and modern Bill, incorporating international best practices. The Bill will be tabled in Parliament after going through public participation as required by the Constitution," Mr Rotich told MPs.

Failure by the Treasury to make excise tax changes brings to naught the jostling and lobbying by beer and tobacco firms which were seeking tax concessions for their products. EABL was pushing for a 100% excise tax remission on its *Senator Keg* beer, which is targeted at the low-end of the market.

In 2013, Rotich introduced excise duty on the mass-market targeted beer at the rate of 50% and sales declined by more than 80%. Keroche Breweries was also lobbying the Treasury to cut excise duty on its range of ready-to-drink vodkas such as Viena Ice which is also targeted at the low end of the market.

"The government should have lowered taxes on alcohol especially those targeting the lower market such as ready to drink vodkas," said Tabitha Karanja, chief executive at Keroche Breweries. "When the poor cannot afford, they will resort to drinking illicit, home-made brews which are unhealthy and don't pay taxes." The death toll attributed to drinking illicit alcohol of the past month is reported to have reached 90 people, from 70 people just over a fortnight ago.

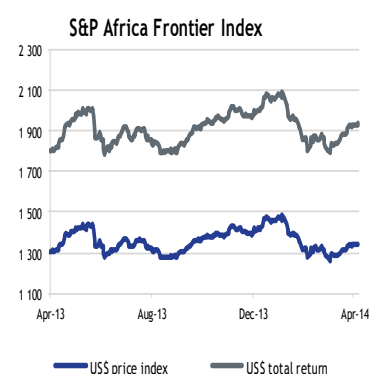
BAT Kenya and rival Mastermind Tobacco have also locked horns over how excise tax on cigarettes should be levied, with the latter pushing for a return to a tier system based on the type of cigarette. Mastermind Tobacco argues that the unitary excise tax regime on cigarettes adopted by Kenya in 2011 has led to prices of low-end cigarette brands increasing by as much as 70%, pushing smokers to look for cheaper options such as illicit and self-rolled cigarettes which have proved to be a health risk.

Having previously expected a favourable compromise to have been announced yesterday, we are also disappointed that Kenya's treasury did not move quickly enough to address the issues tabled by EABL and BAT Kenya. However, we are also of the view that government is now more cognisant of the health risks faced by the consumer and hence we still expect a compromise to the current ruling. Unfortunately for EABL (**EABL KN: HOLD**), the hardest hit of the companies under our coverage, its performance over H1 15 will most likely remain depressed as volumes are likely to remain under pressure.

TOP 5 VALUE TRADED	
Country	Value traded (USD m)
Nigeria	22.76
Kenya	8.15
Rwanda	4.54
Mauritius	3.14
Zimbabwe	2.67

TOP 5 VOLUME TRADED	
Country	Volume traded (m)
Nigeria	340.59
Kenya	28.59
Mauritius	11.48
Zimbabwe	11.09
Rwanda	10.12

Source: IAS



Source: IAS/S&P



CLOSING MARKET SUMMARIES - 12 JUNE 2014

BOTSWANA

Index	Today	Previous	Day %	YTD %
BSE DCI	9 125.46	9 133.67	-0.09%	0.80%
Trading Activity	Volume	Daily %	Turnover (USD)	Daily %
12-Jun-14	767 854	36.32%	733 009	-46.33%
Top Traders	Volume	Turnover (USD)		
CHOPPIES	432 538			
SECHABA		460 352		
Top Gainers	Bottom Losers			
LETSHEGO	0.50%	FNBB	-2.78%	
PRIMETIME	0.43%	G4S	-1.96%	
BIHL	0.09%			

BRVM

Index	Today	Previous	Day %	YTD %
BRVM 10	238.92	238.20	0.30%	-3.01%
BRVM Composite	232.70	232.10	0.26%	0.29%
Trading Activity	Volume	Daily %	Turnover (USD)	Daily %
12-Jun-14	84 136	-4.38%	947 756	45.08%
Top Traders	Volume	Turnover (USD)		
ETI TG	75 786			
SONATEL SN		366 818		
Top Gainers	Bottom Losers			
BOA	6.23%	CIE	-4.44%	
SICABLE	5.41%	SAPH	-4.21%	
AIR LIQUIDE	2.86%	UNILEVER	-3.87%	
PALM	2.39%	BOANG	-3.23%	
ETI TG	2.38%	BICI	-1.43%	

GHANA

Index	Today	Previous	Day %	YTD %
GSECI	2 359.93	2 354.73	0.22%	10.01%
Trading Activity	Volume	Daily %	Turnover (USD)	Daily %
12-Jun-14	55 980	-94.83%	32 249	-89.60%
Top Traders	Volume	Turnover (USD)		
SOGEGH	11 100			
SCB		9 212		
Top Gainers	Bottom Losers			
EGL	13.33%	CMLT	-6.25%	
GOIL	1.05%	SPL	-1.10%	
EBG	0.29%	FML	-0.29%	

KENYA

Index	Today	Previous	Day %	YTD %
NSE All Share	150.04	150.09	-0.03%	9.80%
NSE 20	4,811.00	4,832.09	-0.44%	-2.35%
Trading Activity	Volume	Daily %	Turnover (USD)	Daily %
12-Jun-14	28 590 100	-14.88%	8 154 393	-14.64%
Top Traders	Volume	Turnover (USD)		
Safaricom	15 644 600	2 306 709		
Top Gainers	Bottom Losers			
Mumias Sugar Co.	6.78%	B.O.C Kenya	-4.73%	
Standard Group	6.06%	Car & General (K)	-4.40%	
Express Kenya	4.76%	Williamson Tea Kenya	-2.86%	
Longhorn Kenya	3.88%	ARM Cement	-2.55%	
CFC Stanbic	2.26%	Sasini	-2.55%	

MALAWI

Index	Today	Previous	Day %	YTD %
DASI	10 413.42	10 413.42	0.00%	5.72%
MASI	13 241.27	13 241.27	0.00%	5.67%
Trading Activity	Volume	Daily %	Turnover (USD)	Daily %
12-Jun-14	11 560	-97.20%	35	-99.81%
Top Traders	Volume	Turnover (USD)		
REAL	11 560	35		
Top Gainers	Bottom Losers			
There were no gainers		There were no losers		

MAURITIUS

Index	Today	Previous	Day %	YTD %
Semdex	2 080.19	2 086.72	-0.31%	-0.74%
Sem 7	403.14	405.17	-0.50%	-0.12%
Trading Activity	Volume	Daily %	Turnover (USD)	Daily %
12-Jun-14	11 479 080	14.21%	3 135 262	-44.0%
Top Traders	Volume	Turnover (USD)		
SBM	8 666 819	1 344 265		
Alteo Ltd				
Top Gainers	Bottom Losers			
MUA	1.48%	United Docks	-3.52%	
ENL Commercial	1.19%	Bramer Banking Corp	-2.57%	
Gamma Civic	0.98%	IBL	-1.96%	
Rogers	0.88%	NMH	-1.48%	
NIT	0.80%	SBM	-0.95%	

NAMIBIA

Index	Today	Previous	Day %	YTD %
NSX Local	344.68	344.65	0.01%	3.91%
NSX Overall	1 111.42	1 110.55	0.08%	11.51%
Trading Activity	Volume	Daily %	Turnover (USD)	Daily %
12-Jun-14	247 050	77.73%	1 402 969	84.31%
Top Traders	Volume	Turnover (USD)		
Oryx Properties	110 960			
Sanlam		607 800		
Top Gainers	Bottom Losers			
B2Gold Corp	6.81%	Afrox	-3.83%	
Nedbank	1.97%	Paladin Energy	-2.82%	
Barloworld	0.96%	Truworths	-1.30%	
Oceana	0.86%	MMI Holdings	-0.76%	
Investec	0.40%	Old Mutual Plc	-0.33%	

NIGERIA

Index	Today	Previous	Day %	YTD %
NSE All Share	41,228.66	41,642.55	-0.99%	-0.24%
Trading Activity	Volume	Daily %	Turnover (USD)	Daily %
12-Jun-14	340 591 010	-27.37%	22 756 451	-3.50%
Top Traders	Volume	Turnover (USD)		
Wapic	72 725 120			
Nb		2 694 847		
Top Gainers	Bottom Losers			
Conoil	10.24%	Learnafra	-5.00%	
Eterna	10.16%	Wapic	-5.00%	
Abctrans	5.00%	Nb	-4.97%	
Josbrew	4.78%	Ikejahotel	-4.88%	
Avoncrowne	4.73%	Neimeth	-4.76%	



CLOSING MARKET SUMMARIES - 12 JUNE 2014

RWANDA				
Index	Today	Previous	Day %	YTD %
RSI	263.19	264.93	-0.66%	13.24%
RSE All Share	146.00	146.44	-0.30%	5.71%
Trading Activity	Volume	Daily %	Turnover (USD)	Daily %
12-Jun-14	10 123 200	11261.62%	4 538 300	10903.91%
Top Traders	Volume	Turnover (USD)		
Bank of Kigali	10 122 800	4 538 038		
Top Gainers	Bottom Losers			
There were no gainers				
			Bank of Kigali	-1.61%
			Brairwa	-0.22%

TANZANIA				
Index	Today	Previous	Day %	YTD %
TSI	3 272.55	3 265.00	0.23%	15.09%
DSEI	2 103.54	2 102.42	0.05%	12.70%
Trading Activity	Volume	Daily %	Turnover (USD)	Daily %
12-Jun-14	187 141	-51.87%	173 348	113.48%
Top Traders	Volume	Turnover (USD)		
CRDB	151 700	129 322		
Top Gainers	Bottom Losers			
TBL	0.69%	SIMBA		
		SWISSPORT		
				-0.84%
				-0.75%

UGANDA				
Index	Today	Previous	Day %	YTD %
USE All Share	1 637.22	1 648.75	-0.70%	7.54%
Trading Activity	Volume	Daily %	Turnover (USD)	Daily %
12-Jun-14	169 326	-97.28%	36 302	-58.76%
Top Traders	Volume	Turnover (USD)		
UMEME	130 600	18 172		
DFCU				
Top Gainers	Bottom Losers			
KCB	0.07%	JHL		
		EBL		
		DFCU		
		UCHM		
		CENT		
				-10.16%
				-1.58%
				-1.23%
				-1.04%
				-0.44%

ZAMBIA				
Index	Today	Previous	Day %	YTD %
LuSE All Share	6 033.80	6 033.80	0.00%	13.84%
Trading Activity	Volume	Daily %	Turnover (USD)	Daily %
12-Jun-14	127 279	-31.27%	41 961	14.20%
Top Traders	Volume	Turnover (USD)		
StanChart	87 063	27 504		
Top Gainers	Bottom Losers			
There were no gainers				
			StanChart	-0.50%

ZIMBABWE				
Index	Today	Previous	Day %	YTD %
Industrial	180.43	179.02	0.79%	-10.73%
Mining	44.27	43.12	2.67%	-3.32%
Trading Activity	Volume	Daily %	Turnover (USD)	Daily %
12-Jun-14	11 089 359	67.60%	2 667 333	210.26%
Top Traders	Volume	Turnover (USD)		
OK	5 034 811	1 440 103		
DELT				
Top Gainers	Bottom Losers			
FALG	33.33%	WILL		
RTG	10.00%	COLC		
TURNAL	7.14%	ZPIL		
RIO	5.26%			
TSL	3.45%			
				-20.00%
				-4.55%
				-1.23%

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